

Sprint launches three LTE smartphones

LONDON, UK: Sprint has announced the launch of three LTE smartphones for its Virgin Mobile USA and Boost Mobile prepaid brands, making it, it claims, the first tier-1 operator in the US to market LTE services to prepaid customers. Sara Kaufman, telco strategy analyst at Ovum comments:



"Sprint is not the first operator to offer prepaid LTE in the US as MetroPCS has had LTE available on a no-contract basis since November 2010. However, unlike MetroPCS and other operators, which still regard LTE as a premium service, Sprint's approach reinforces the idea that the LTE proposition is about cost savings rather than revenue generation. Sprint is attempting to leverage this idea as a differentiator for its prepaid customers by offering LTE tariffs for US\$35 per month, which is US\$15 lower than MetroPCS's comparable LTE offering.

"However, Sprint's prepaid LTE tariff is as much a defensive move as it is an offensive one. While the operator's prepaid subscriber base of 15.5 million is the largest among its competitors, other operators are beginning to make gains in the prepaid segment. For example, Sprint's year-on-year prepaid growth of 8% in 3Q12 was dwarfed by Verizon, T-Mobile, and US Cellular's respective growth rates of 22%, 18%, and 29%.

"Sprint's new LTE offering creates a new differentiator that will complement its unlimited data offering. It will also provide customers with more prepaid services and device choices in a market where tier-1 carriers still tend to save the best devices and services for their post-paid customers. The move also pre-empts any attempt from T-Mobile USA to corner the "best value LTE" message when it launches its LTE network in 2014.

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